



STATISTICAL SECTION

REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
GAAP BASIS
LAST TEN FISCAL YEARS

(Dollars in Thousands)

		1998	1997	1996	1995	1994
Revenues — By Source						
Taxes.....	[2]	\$ 13,287,609	\$ 12,177,605	\$ 11,390,198	\$ 10,773,352	\$ 10,084,671
Federal funds.....		5,983,003	5,857,680	5,192,921	4,458,959	4,243,091
Local funds.....		462,879	427,306	469,023	325,613	299,297
Investment earnings.....	[1][4]	575,901	454,678	290,536	245,388	183,574
Interest earnings on loans.....		5,676	4,280	1,361	121	38
Sales and services.....		84,087	76,130	82,511	46,686	74,210
Sale, rental and lease of property.....		26,321	24,738	23,641	13,888	9,396
Fees, licenses and fines.....		826,491	814,690	793,622	749,277	713,941
Contributions, gifts and grants.....		61,189	31,805	21,512	38,012	28,135
Miscellaneous.....		148,794	182,247	141,647	169,276	141,421
Total revenues.....		<u>\$ 21,461,950</u>	<u>\$ 20,051,159</u>	<u>\$ 18,406,972</u>	<u>\$ 16,820,572</u>	<u>\$ 15,777,774</u>
Expenditures — By Function						
Current:						
General government.....	[1]	\$ 1,115,763	\$ 921,406	\$ 769,518	\$ 787,164	\$ 735,973
Education.....	[1]	5,416,486	4,775,741	4,499,257	4,441,966	4,144,633
Health and human services.....	[1] [3]	7,300,262	6,822,624	6,244,976	5,211,388	4,519,194
Economic development.....	[1]	321,613	294,787	261,340	273,101	261,623
Environment and natural resources.....	[1] [3]	332,803	668,402	576,272	591,007	538,574
Public safety, corrections, and regulation.....	[1]	1,578,985	1,613,757	1,331,964	1,209,576	1,099,081
Transportation.....	[1]	2,384,455	2,205,494	1,908,076	1,871,233	1,724,551
Agriculture.....	[1]	68,573	65,421	63,174	62,257	59,552
Retiree tax judgements.....		400,000	—	—	—	—
Capital outlay.....		203,605	147,194	173,118	167,249	127,275
Debt service.....		170,039	131,249	150,471	141,031	123,376
Total expenditures.....		<u>\$ 19,292,584</u>	<u>\$ 17,646,075</u>	<u>\$ 15,978,166</u>	<u>\$ 14,755,972</u>	<u>\$ 13,333,832</u>

All governmental fund types consist of the General Fund, special revenue funds, debt service funds and capital projects funds.

Major Revenues by Source
1989 - 1998

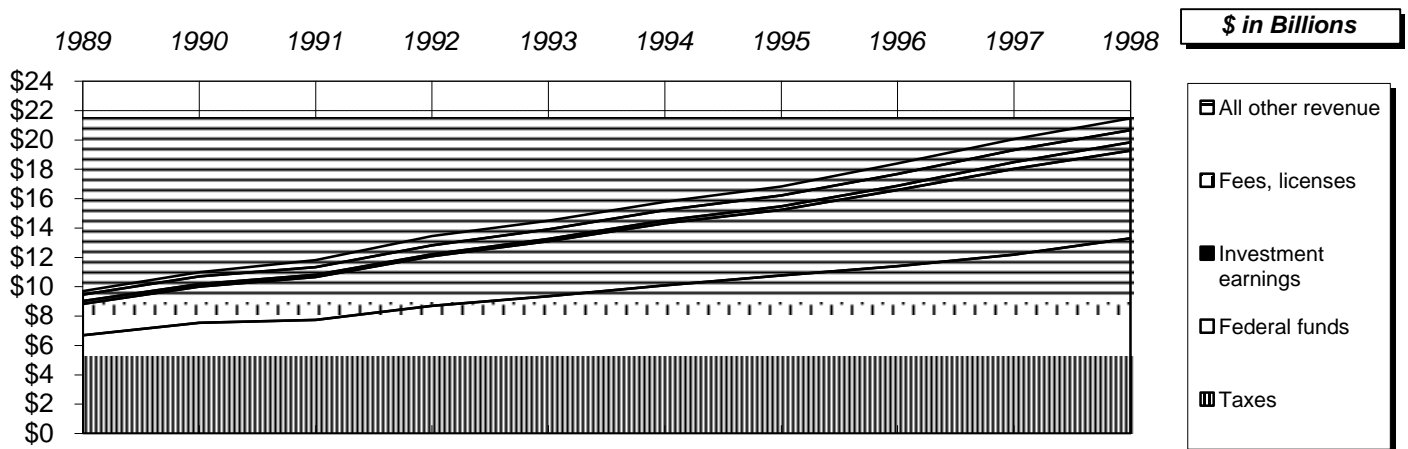


Table 1

1993	1992	1991	1990	1989
\$ 9,347,575	\$ 8,703,484	\$ 7,730,054	\$ 7,543,587	\$ 6,691,258
3,757,961	3,382,683	2,940,213	2,463,686	2,141,659
269,545	234,428	203,171	167,093	138,713
145,771	120,891	144,823	179,575	198,774
—	—	—	—	—
32,195	33,263	54,197	63,785	52,758
7,467	6,787	6,817	5,473	5,057
662,007	621,241	529,746	518,000	425,963
155,488	266,435	143,434	10,421	8,458
118,755	69,389	52,808	44,033	44,132
<u>\$ 14,496,764</u>	<u>\$ 13,438,601</u>	<u>\$ 11,805,263</u>	<u>\$ 10,995,653</u>	<u>\$ 9,706,772</u>
\$ 825,507	\$ 786,729	\$ 755,810	\$ 472,543	\$ 372,266
4,429,381	4,188,854	4,135,288	3,920,038	3,547,507
4,090,775	3,824,635	3,311,811	2,631,963	2,311,578
261,142	242,870	244,198	242,541	73,554
458,041	391,342	355,282	333,151	502,093
973,708	903,543	868,227	834,110	715,462
1,569,932	1,449,123	1,401,607	1,290,250	1,128,706
59,997	57,316	56,472	55,272	52,503
—	—	—	—	—
77,528	119,343	131,565	108,867	77,080
124,314	114,928	106,692	110,396	110,980
<u>\$ 12,870,325</u>	<u>\$ 12,078,683</u>	<u>\$ 11,366,952</u>	<u>\$ 9,999,131</u>	<u>\$ 8,891,729</u>

[1] Fiscal years prior to 1997 do not reflect the implementation of GASB Statement 28, *Accounting and Financial Reporting for Securities Lending Transactions*. The impact of GASB Statement 28 is to gross-up investment earnings by the amount of fees charged for securities lending and to increase current expenditures in the amount of fees charged.

[2] Fiscal years prior to 1995 do not reflect the implementation of GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*.

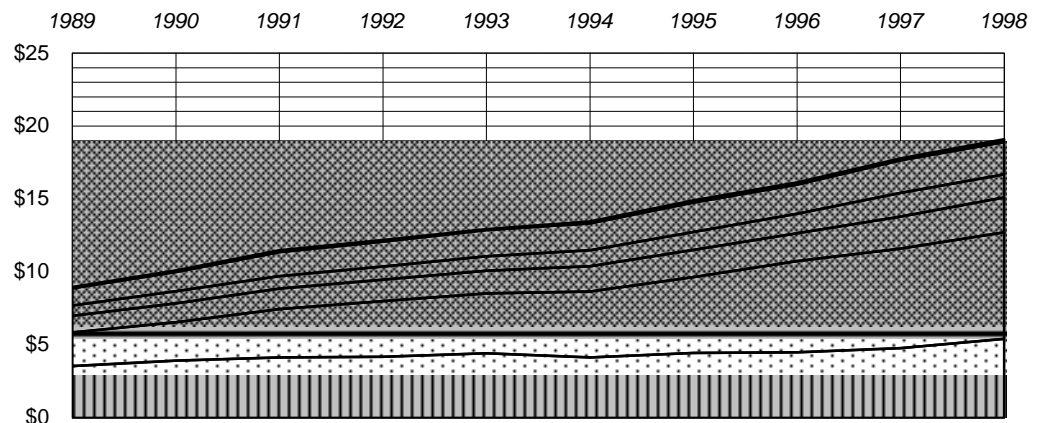
[3] In fiscal years prior to 1998, health expenditures were included in the environment, health and natural resources expenditure function. In the 1998 fiscal year, health expenditures were shifted and are now reflected in the health and human services function.

[4] Fiscal years prior to 1998 do not reflect the implementation of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Major Expenditures by Function 1989 - 1998

\$ in Billions

- Capital Outlay
- ▨ All other expenditures
- Public safety, corr. reg
- ▨ Transportation
- ▨ Health and human services
- ▨ Education



SCHEDULE OF REVENUES BY SOURCE — GENERAL FUND
GAAP BASIS
LAST TEN FISCAL YEARS

(Dollars in Thousands)

	1998	1997	1996	1995
TAX REVENUES				
Individual income tax..... [2]	\$ 6,124,709	\$ 5,454,571	\$ 4,975,387	\$ 4,617,197
Corporate income tax..... [2]	999,759	869,717	878,028	833,135
Individual and corporate income taxes.....	7,124,468	6,324,288	5,853,415	5,450,332
Sales and use tax..... [2]	3,272,774	3,134,877	2,947,537	2,701,114
Franchise tax.....	567,869	534,622	495,008	457,952
Beverage tax.....	155,352	151,064	138,653	170,033
Insurance tax.....	283,828	259,286	242,188	235,455
Intangibles tax.....	217	—	11,509	128,608
Inheritance tax.....	144,203	132,195	113,416	109,883
Soft drink tax.....	22,338	30,980	39,619	36,176
Tobacco products tax.....	47,304	46,797	46,394	44,936
License tax.....	38,209	41,280	44,962	53,431
Real estate conveyance tax.....	894	1,064	19,510	16,349
Gift tax.....	20,722	12,566	11,043	8,592
Other taxes.....	1,501	1,516	1,388	1,421
Total tax revenues.....	11,679,679	10,670,535	9,964,642	9,414,282
NON-TAX REVENUES				
Federal Funds:				
Departmental revenues.....	5,174,406	5,169,286	4,613,915	3,780,032
Local Funds:				
Departmental revenues.....	436,347	403,145	445,443	299,156
Investment Earnings:				
Income from General Fund investments..... [3]	252,162	224,260	202,277	163,783
Railroad dividends.....	—	—	—	96
Departmental revenues..... [1]	195,370	115,979	11,070	7,923
Other investment earnings.....	137	241	249	221
	447,669	340,480	213,596	172,023
Sales and Services:				
Departmental revenues.....	67,214	58,744	63,345	24,414
Other non-tax revenues.....	319	—	—	—
	67,533	58,744	63,345	24,414
Sale, Rental and Lease of Property:				
Proceeds from sale, rental and lease of property.....	1,811	1,342	1,265	499
Departmental revenues.....	4,255	4,651	4,404	7,288
	6,066	5,993	5,669	7,787
Fees, Licenses and Fines:				
Court fines and fees.....	93,252	99,819	90,456	88,023
Secretary of State service fees.....	19,257	17,344	14,838	12,911
Banking and investment fees.....	3,031	3,337	3,432	3,760
Self insurer fees (Industrial Commission).....	3,556	3,460	3,038	2,768
Gasoline and oil inspection fees.....	—	—	—	—
Environment and Natural Resources - use fees.....	—	—	—	—
Probation supervision fees.....	11,778	10,859	10,002	9,690
Elections filing fees.....	276	19	287	17
Department of Insurance fees.....	1,096	6,001	961	936
DWI service and restoration fees.....	6,050	5,949	5,426	5,342
Departmental revenues.....	103,296	104,002	101,364	106,360
Other non-tax revenues.....	3,082	4,056	5,005	5,415
	244,674	254,846	234,809	235,222
Contributions, Gifts and Grants:				
Departmental revenues.....	13,205	14,145	8,574	4,065
Other non-tax revenues.....	1	—	—	—
	13,206	14,145	8,574	4,065
Miscellaneous:				
Local sales and use tax administration.....	10,060	9,178	8,661	6,669
Sales tax refunds.....	10,936	13,301	11,585	14,217
Departmental revenues.....	115,529	151,906	112,430	129,224
Other non-tax revenue.....	744	455	471	1,534
	137,269	174,840	133,147	151,644
Total non-tax revenues.....	6,527,170	6,421,479	5,718,498	4,674,343
Total Revenues.....	\$ 18,206,849	\$ 17,092,014	\$ 15,683,140	\$ 14,088,625

Table 2

1994	1993	1992	1991	1990	1989
\$ 4,289,162	\$ 3,992,538	\$ 3,650,313	\$ 3,508,173	N/A	N/A
737,125	710,665	643,901	493,448	N/A	N/A
5,026,287	4,703,203	4,294,214	4,001,621	\$ 3,957,643	\$ 3,685,617
2,585,642	2,363,745	2,215,318	1,680,758	1,767,692	1,689,572
438,779	423,623	407,362	374,017	262,822	236,306
161,578	159,049	159,116	152,938	145,761	127,632
219,847	211,110	191,531	193,241	176,715	187,072
127,088	120,599	112,168	92,500	97,258	84,864
106,530	89,626	87,674	76,781	72,875	67,151
38,124	35,087	32,289	30,099	28,987	27,912
39,700	43,373	41,392	15,238	15,315	7,949
50,975	27,641	29,932	31,131	28,225	24,929
18,046	15,742	10,952	8,247	9,307	—
13,150	13,555	7,248	7,675	10,122	4,593
955	856	1,288	1,141	765	14,053
8,826,701	8,207,209	7,590,484	6,665,387	6,573,487	6,157,650
3,595,033	3,206,169	2,902,873	2,511,804	2,022,667	1,778,720
270,873	237,329	204,414	179,887	143,991	121,324
121,776	77,911	56,900	75,171	116,304	140,709
96	96	96	128	96	166
7,214	11,080	9,676	6,008	6,739	5,619
70	61	94	221	—	—
129,156	89,148	66,766	81,528	123,139	146,494
44,503	2,276	48,771	48,361	59,675	49,034
—	—	—	—	—	—
44,503	2,276	48,771	48,361	59,675	49,034
7	190	38	214	100	313
6,880	6,671	6,209	6,019	5,154	4,482
6,887	6,861	6,247	6,233	5,254	4,795
81,529	76,601	71,430	63,149	59,689	48,814
11,209	9,720	8,338	7,293	7,236	7,500
3,513	3,234	2,960	2,821	2,389	2,431
2,785	2,894	2,398	2,538	2,547	2,379
1,251	1,176	1,357	1,427	1,021	1,239
—	—	1,521	656	—	—
8,604	8,770	8,412	7,524	6,331	5,904
252	13	218	14	221	10
14,834	11,173	6,987	5,336	3,502	—
4,818	4,597	4,582	4,588	3,668	—
99,502	109,902	98,896	72,572	66,043	53,607
7,265	4,002	2,297	1,592	1,223	7,116
235,562	232,082	209,396	169,510	153,870	129,000
3,319	129,430	238,350	50,550	1,479	1,303
—	—	—	—	—	—
3,319	129,430	238,350	50,550	1,479	1,303
5,623	5,920	6,243	5,819	5,425	5,342
12,166	10,811	11,193	—	—	—
104,072	75,074	22,359	24,241	18,445	16,504
598	1,313	2,445	387	741	3,170
122,459	93,118	42,240	30,447	24,611	25,016
4,407,792	3,996,413	3,719,057	3,078,320	2,534,686	2,255,686
\$ 13,234,493	\$ 12,203,622	\$ 11,309,541	\$ 9,743,707	\$ 9,108,173	\$ 8,413,336

[1] Fiscal years prior to 1997 do not reflect the implementation of GASB Statement 28, Accounting and Financial Reporting for Securities Lending Transactions. The impact of GASB Statement 28 is to gross-up investment earnings by the amount of fees charged for securities lending and to increase current expenditures in the amount of fees charged. Prior to 1997, securities lending fees are netted against securities lending income. For 1997, these fees totaled \$105 million for the General Fund.

[2] Fiscal years prior to 1995 do not reflect the implementation of GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*.

[3] Fiscal years prior to 1998 do not reflect the implementation of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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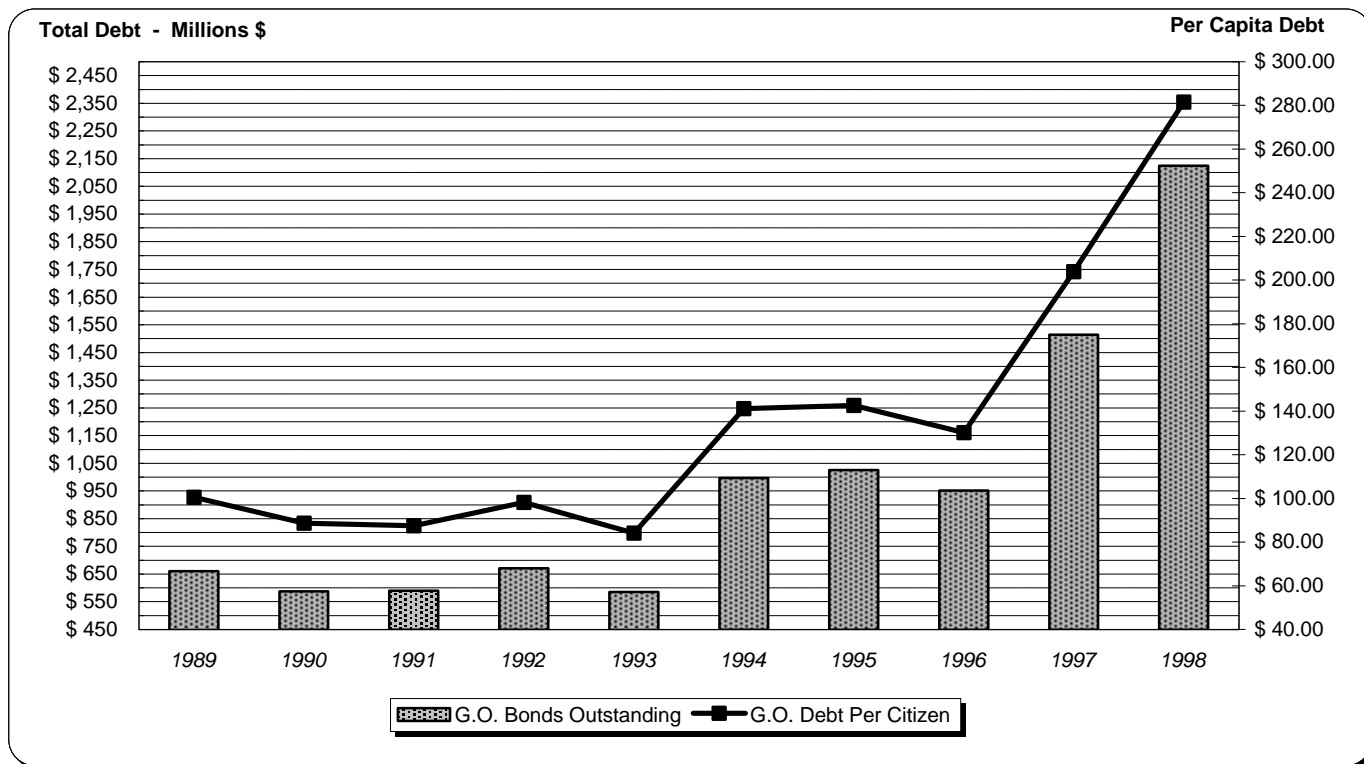
GENERAL OBLIGATION BONDS DEBT RATIOS

For the Fiscal Years 1989-1998

Table 3

Fiscal Year Ended June 30	General Obligation Debt Per Capita			Ratio of Annual Debt Service To General Expenditures		
	N.C. Population	General Obligation Bonds Outstanding	G.O. Debt per Citizen	Debt Service (Principal and Interest)	Total General Expenditures	Ratio
1998	7,544,360	\$ 2,123,944,000	\$ 281.53	\$ 170,039,000	\$ 19,292,584,000	0.88%
1997	7,431,161	\$ 1,514,477,000	\$ 203.80	\$ 131,249,000	\$ 17,646,075,000	0.74%
1996	7,309,514	\$ 951,082,000	\$ 130.12	\$ 150,741,000	\$ 15,978,166,000	0.94%
1995	7,186,663	\$ 1,025,167,000	\$ 142.65	\$ 141,031,000	\$ 14,755,972,000	0.96%
1994	7,061,823	\$ 996,365,000	\$ 141.09	\$ 123,376,000	\$ 13,333,832,000	0.93%
1993	6,947,724	\$ 584,905,000	\$ 84.19	\$ 124,314,000	\$ 12,870,325,000	0.97%
1992	6,832,621	\$ 670,380,000	\$ 98.11	\$ 114,928,000	\$ 12,078,683,000	0.95%
1991	6,747,962	\$ 590,014,000	\$ 87.44	\$ 106,692,000	\$ 11,366,952,000	0.94%
1990	6,632,448	\$ 588,004,000	\$ 88.66	\$ 110,396,000	\$ 9,999,131,000	1.10%
1989	6,568,810	\$ 660,429,000	\$ 100.54	\$ 110,980,000	\$ 8,891,729,000	1.25%

**Total General Obligation Debt
and Long-Term Debt Per Capita**



*Source: Population - U.S. Department of Commerce, Bureau of the Census, and
N.C. Office of State Budget and Management*

REVENUE BOND COVERAGE

For the Fiscal Years 1989-1998

(Dollars in Thousands)

<u>Fiscal Year Ended June 30</u>	<u>Gross Revenues</u> [1]	<u>Direct Operating Expenses</u> [1]	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u> [2]
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	

PRIMARY GOVERNMENT:**General Long-Term Obligations Account Group**

1998	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
1997	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—
1994 [3]	—	—	—	—	—	—	—
1993	371	—	371	750	72	822	.45
1992	380	—	380	750	143	893	.43
1991	365	—	365	650	203	853	.43
1990	755	—	755	650	261	911	.83
1989	379	—	379	550	311	861	.44

Enterprise Funds

1998	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
1996 [4]	—	—	—	—	—	—	—
1995	1,963	1,981	(18)	111	—	111	(.16)
1994	1,947	1,845	102	104	14	118	.86
1993	1,856	1,759	97	96	21	117	.83
1992	1,923	1,799	124	88	34	122	1.02
1991	1,884	1,611	273	81	44	125	2.18
1990	1,718	1,637	81	69	52	121	.67
1989	1,709	1,506	203	64	47	111	1.83

[1] - Represents actual fund receipts and disbursements securing the applicable bonds.

[2] - Ideally, the coverage number would be 1.00 or higher, indicating that Net Revenues Available exceeds Debt Service Requirements.

[3] - These bonds were paid in full in 1993.

[4] - These bonds were paid in full in 1996.

Table 4

Fiscal Year Ended June 30	Gross Revenues [1]	Direct Operating Expenses [1]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage [2]
				Principal	Interest	Total	

COMPONENT UNITS:**Proprietary Funds**

1998	\$ 186,851	\$ 12,414	\$174,437	\$ 11,910	\$ 73,743	\$ 85,653	2.04
1997	105,826	10,624	95,202	10,696	69,182	79,878	1.19
1996	79,683	3,293	76,390	20,520	52,347	72,867	1.05
1995	78,248	3,972	74,276	12,487	53,662	66,149	1.12
1994	94,369	4,355	90,014	17,692	61,772	79,464	1.13
1993	103,150	7,979	95,171	19,967	66,133	86,100	1.11
1992	110,774	8,416	102,358	18,010	68,499	86,509	1.18
1991	115,880	6,542	109,338	18,481	70,796	89,277	1.22
1990	103,093	8,692	94,401	19,078	70,502	89,580	1.05
1989	107,764	8,889	98,875	17,874	79,762	97,636	1.01

University Funds

1998	925,006	682,629	242,377	25,468	40,689	66,157	3.66
1997	832,060	646,514	185,546	23,521	40,515	64,036	2.90
1996	810,405	614,180	196,225	21,148	33,071	54,219	3.62
1995	771,291	583,295	187,996	17,414	34,453	51,867	3.62
1994	690,984	555,903	135,081	14,029	28,075	42,104	3.21
1993	625,097	514,644	110,453	13,314	29,503	42,817	2.58
1992	263,866	210,126	53,740	8,361	22,205	30,566	1.76
1991	244,610	201,762	42,848	6,905	19,797	26,702	1.60
1990	226,101	183,334	42,767	6,076	18,972	25,048	1.71
1989	155,692	117,700	37,992	5,115	15,968	21,083	1.80

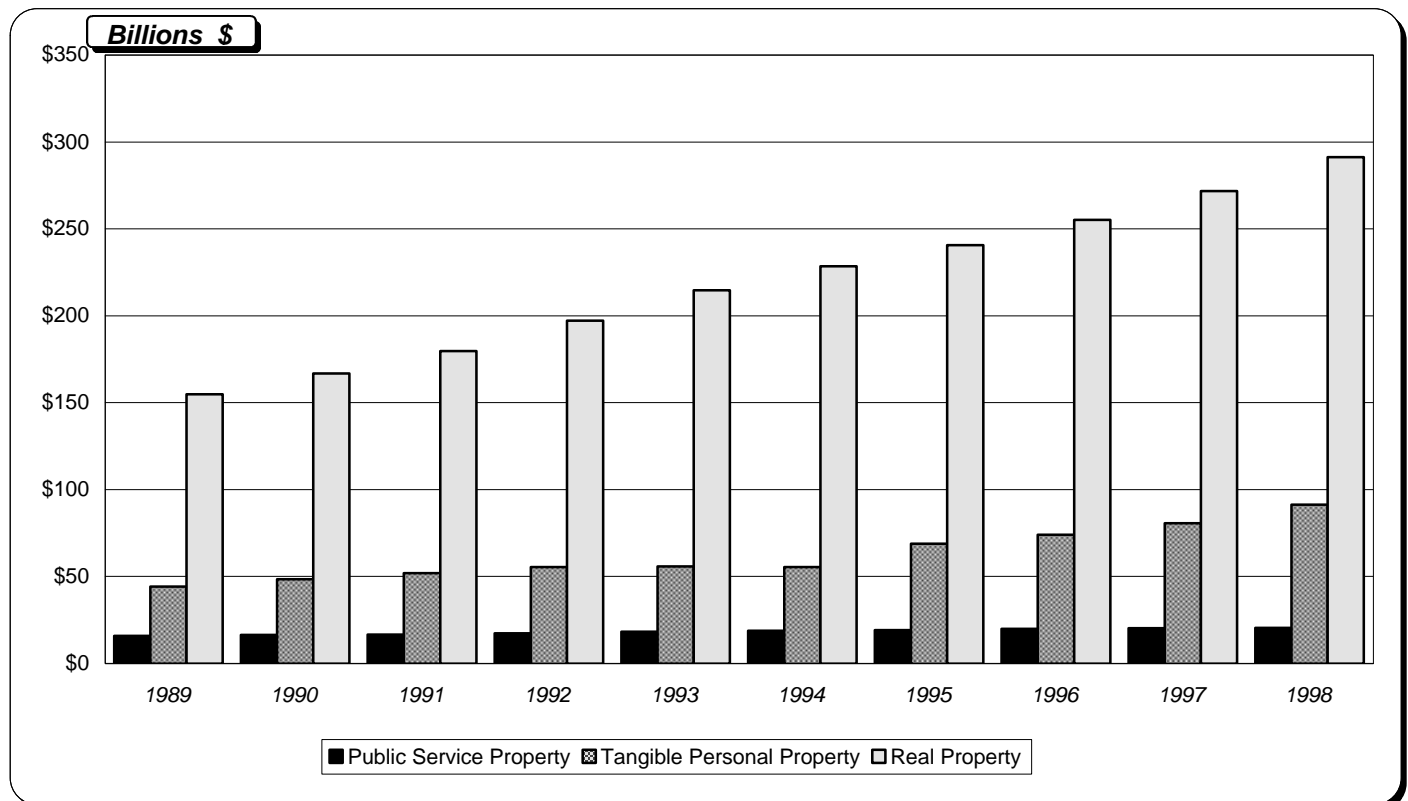
STATEWIDE ASSESSED PROPERTY VALUES REAL PROPERTY, TANGIBLE PERSONAL PROPERTY AND PUBLIC SERVICE COMPANIES

For the Fiscal Years 1989-1998

Table 5

For the Years	Assessed Value at January 1			
	Real Property	Personal Property	Public Service Companies	Total
1998	\$ 291,205,137,584	\$ 91,392,925,590	\$ 20,442,713,966	\$ 403,040,777,140
1997	271,764,063,900	80,698,570,134	20,194,521,863	372,657,155,897
1996	255,260,809,402	74,021,864,531	19,847,155,764	349,129,829,697
1995	240,636,714,460	68,881,737,558	19,193,111,331	328,711,563,349
1994	228,535,500,422	55,446,883,320	18,847,015,529	302,829,399,271
1993	214,688,830,054	55,808,723,703	18,210,749,564	288,708,303,321
1992	197,102,056,813	55,347,001,285	17,272,796,848	269,721,854,946
1991	179,691,593,712	51,895,857,703	16,651,387,521	248,238,838,936
1990	166,750,735,800	48,368,087,887	16,472,361,742	231,591,185,429
1989	154,815,470,266	44,173,378,142	15,923,293,458	214,912,141,866

Statewide Assessed Property Values Ten-Year Comparison



Source: Compiled by the Department of Revenue from reports submitted by counties and municipalities.

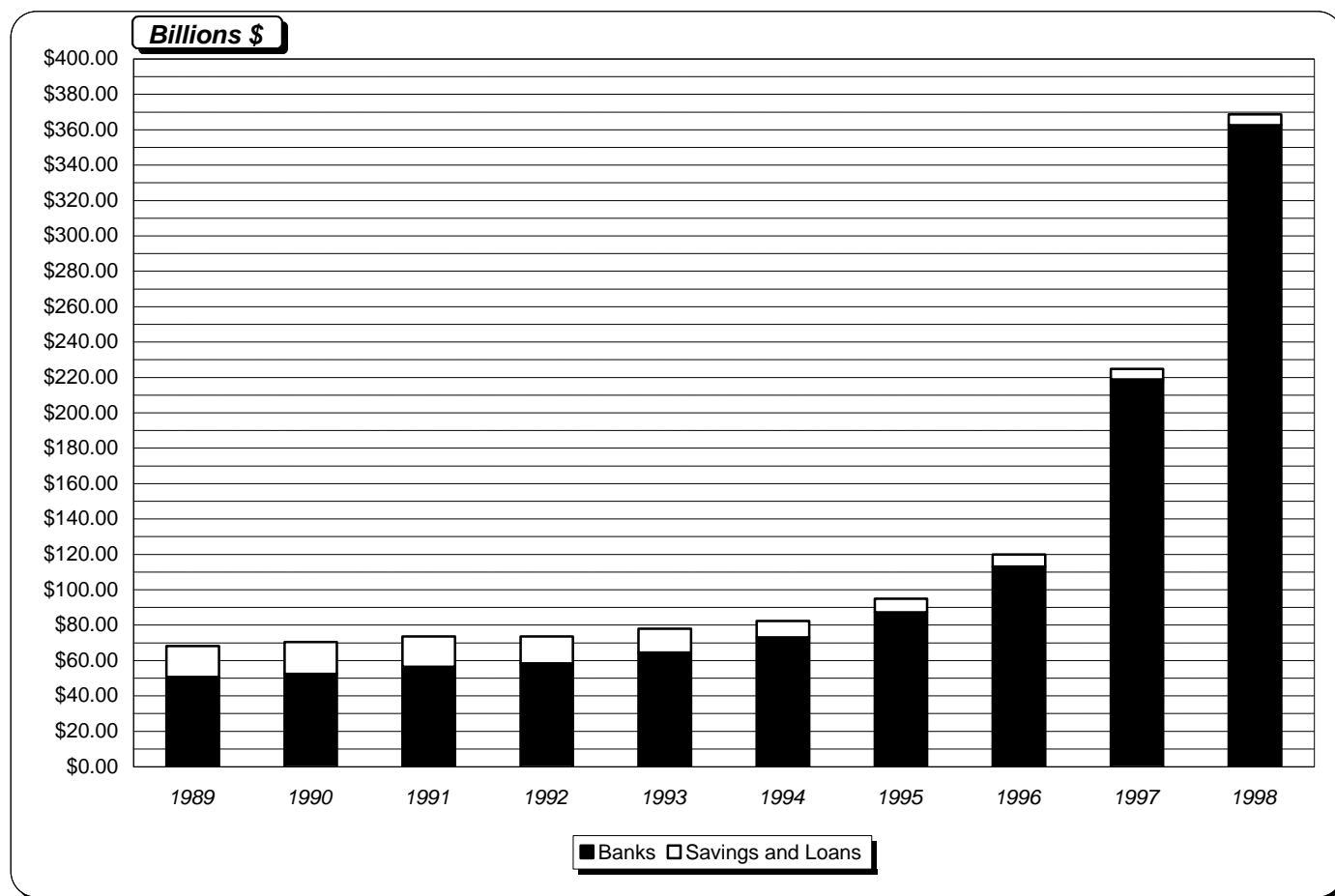
SCHEDULE OF BANK AND SAVINGS AND LOAN DEPOSITS OF FINANCIAL INSTITUTIONS LOCATED IN NORTH CAROLINA

For the Years 1989-1998
(Dollars in Thousands)

Table 6

Banks				Savings and Loan Associations			
As of June 30	Chartered		Total Deposits	As of Dec. 31	Chartered		Total Deposits
	State	National			State	Federal	
1998	\$ 42,834,645	\$319,721,396 [1]	\$ 362,556,041	1997	\$ 3,440,310	\$ 2,663,747	\$ 6,104,057
1997	40,258,721	178,556,322 [1]	218,815,043	1996	3,459,159	2,636,338	6,095,497
1996	37,637,624	75,499,983	113,137,607	1995	3,949,870	2,898,852	6,848,722
1995	34,336,993	52,883,449	87,220,442	1994	4,910,234	2,827,642	7,737,876
1994	26,087,820	47,009,485	73,097,305	1993	5,633,380	3,584,274	9,217,654
1993	23,310,981	41,231,385	64,542,366	1992	5,670,725	7,788,016	13,458,741
1992	21,213,128	37,261,674	58,474,802	1991	4,878,921	10,253,169	15,132,090
1991	19,561,303	36,969,025	56,530,328	1990	5,327,335	11,822,779	17,150,114
1990	16,496,940	36,025,376	52,522,316	1989	5,884,060	12,042,337	17,926,397
1989	13,741,263	36,977,970	50,719,233	1988	5,720,556	11,793,232	17,513,788

Deposits in N.C. Banks and Savings and Loan Associations Last Ten Years



[1] The large increases in deposits in national banks are due to the consolidation of separate out-of-state charters of North Carolina banks into one charter in North Carolina due to a change in Federal law, and the acquisition and consolidation of banks and individual branches in other states by North Carolina banks.

Source: North Carolina Department of Commerce

CASH RECEIPTS FROM FARMING BY COMMODITIES

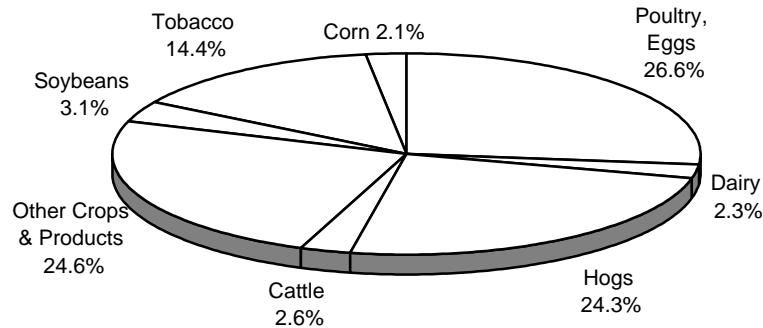
For the Calendar Years 1988-1997
(Dollars in Millions)

Table 7

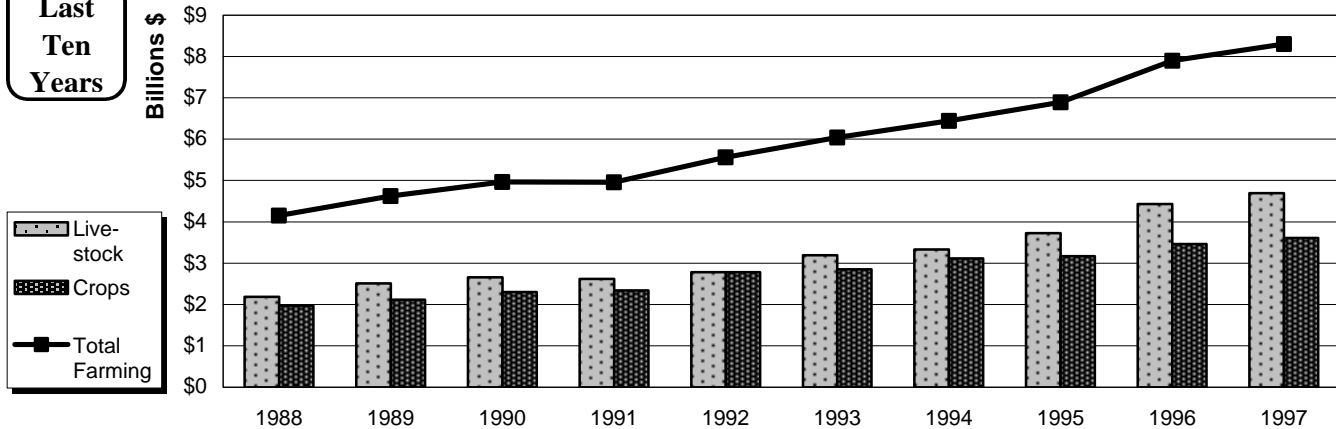
Year	Livestock and Related Products						Crops					Total All Livestock and Crops
	Poultry and Eggs	Dairy Products	Hogs	Cattle	Other Livestock and Products	Total Livestock and Products	Tobacco	Soybeans	Corn	Other Crops	Total Crops	
1997	\$2,209.5	\$187.1	\$2,016.6	\$218.5	\$61.9	\$4,693.6	\$1,193.2	\$255.7	\$177.3	\$1,982.0	\$3,608.2	\$8,301.8
1996	2,249.9	211.8	1,752.8	153.8	63.1	4,431.4	1,021.5	229.3	298.0	1,916.8	3,465.6	7,897.0
1995	2,053.9	189.7	1,274.4	146.9	61.1	3,726.0	1,048.5	157.4	165.7	1,794.1	3,165.7	6,891.7
1994	1,911.5	210.5	982.8	166.7	57.5	3,329.0	942.9	217.3	149.0	1,804.6	3,113.8	6,442.8
1993	1,822.1	211.2	930.0	172.0	54.6	3,189.9	1,029.9	195.5	139.2	1,486.6	2,851.2	6,041.1
1992	1,612.3	218.8	730.8	168.6	53.7	2,784.2	1,049.5	203.5	178.0	1,346.3	2,777.3	5,561.5
1991	1,516.9	204.2	665.3	177.7	53.1	2,617.2	1,054.7	193.4	166.3	924.2	2,338.6	4,955.8
1990	1,577.3	234.8	615.1	178.7	52.9	2,658.8	1,051.6	205.0	193.2	853.9	2,303.7	4,962.5
1989	1,574.5	223.8	508.8	148.4	54.7	2,510.2	946.1	231.2	189.2	744.6	2,111.1	4,621.3
1988	1,316.5	219.7	447.9	152.9	50.6	2,187.6	859.0	235.7	170.7	699.3	1,964.7	4,152.3

CASH RECEIPTS FROM FARMING

Calendar Year
1997



Last
Ten
Years



Source: North Carolina Crop and Livestock Reporting Service (Data for 1998 is not available.)

MAJOR PRIVATE EMPLOYERS IN NORTH CAROLINA*Table 8*

The State's largest major private employers, ranked in order according to first quarter 1997 preliminary employment averages, are listed:

1998 Rank	Employer	Type of Business
1	Food Lion, Inc.	Supermarket chain
2	Wal-Mart Stores, Inc.	Discount store chain
3	IBM Corporation	Computers, telecommunications
4	Duke University	Private university, medical center
5	Sara Lee Corporation	Hosiery, baked goods, apparel
6	K-Mart Corporation	Discount store chain
7	Winn-Dixie Stores, Inc.	Supermarket chain
8	US Air, Inc.	Airline
9	Lowe's Companies, Inc.	Hardware chain
10	Duke Power Co., Inc.	Electric utility
11	First Union National Bank	Banking and financial services
12	Harris Teeter, Inc.	Supermarket chain
13	Burlington Industries, Inc.	Textiles
14	United Parcel Service, Inc.	Delivery services
15	Northern Telecom Inc.	Telecommunications
16	Sears, Roebuck and Company	Department store chain
17	RJR Nabisco, Inc.	Tobacco, food products
18	Fieldcrest Cannon, Inc.	Textiles
19	Broyhill Furniture Industries	Furniture manufacturing
20	NationsBank	Banking and financial services
21	Collins and Aikman Group, Inc.	Textiles
22	Glaxo Wellcome Inc.	Pharmaceuticals
23	Manpower Temporary Services	Temporary employment agency
24	Branch Banking & Trust	Banking and financial services
25	Carolina Power & Light Company	Electric utility

Source: North Carolina Employment Security Commission

SCHEDULE OF DEMOGRAPHIC DATA

For the Years 1950, 1960, 1970, 1980, 1989-1998

Year	Population ^[1]				Per Capita Income ^[2]		
	United States Population	U.S. Increase from Prior Period	North Carolina Population	N.C. Increase from Prior Period	United States	North Carolina	N.C. as a Percentage of U.S.
1998	270,029,000 [B]	0.89%	7,544,360 [C]	1.52%	\$ 26,259 [E]	\$ 24,055 [F]	91.61%
1997	267,636,000 [B]	0.93%	7,431,161 [D]	1.66%	25,298	23,174	91.60%
1996	265,179,000 [B]	0.92%	7,309,514 [D]	1.71%	24,169	22,054	91.25%
1995	262,761,000 [B]	0.95%	7,186,663 [D]	1.77%	23,063	20,994	91.03%
1994	260,292,000 [B]	0.99%	7,061,823 [D]	1.64%	22,056	19,919	90.31%
1993	257,753,000 [B]	1.08%	6,947,724 [D]	1.68%	21,220	19,140	90.20%
1992	255,002,000 [B]	1.14%	6,832,621 [D]	1.25%	20,631	18,299	88.70%
1991	252,124,000 [B]	1.37%	6,747,962 [D]	1.74%	19,687	17,165	87.19%
1990	248,718,000 [A]	0.77%	6,632,448 [A]	0.97%	19,188	16,674	86.90%
1989	246,819,000 [B]	0.95%	6,568,810	1.32%	18,172	15,841	87.17%
1980	226,546,000 [A]	11.13%	5,880,095 [A]	15.65%	10,062	8,090	80.40%
1970	203,849,000 [A]	13.26%	5,084,411 [A]	11.59%	4,072	3,255	79.94%
1960	179,979,000 [A]	18.51%	4,556,155 [A]	12.17%	2,254	1,615	71.65%
1950	151,868,000 [A]		4,061,929 [A]		1,496	1,037	69.32%

[A] - U.S. Census count - April 1 (1950 - 1990)

[B] - U.S. Census estimates - July 1 (1989 - 1998)

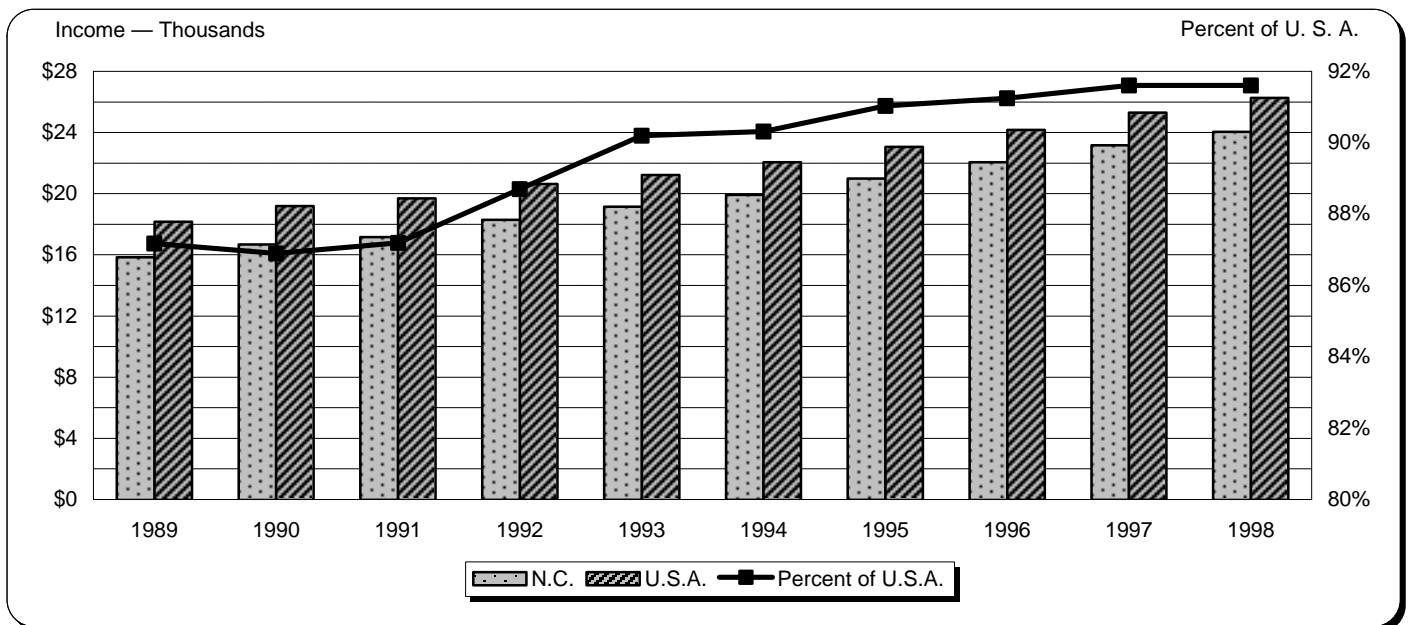
[C] - N.C. Office of State Planning projection - July 1, 1998, based on April, 1990, census population of 6,632,448

[D] - N.C. Office of State Planning estimate - July 1, 1991-1997, based on April, 1990 census population of 6,632,448

[E] - U.S. Department of Commerce estimate

[F] - N.C. OSBM estimate

**Per Capita Income
North Carolina Compared to United States
1989 to 1998**



Sources: [1] Population

[2] Per Capita Income

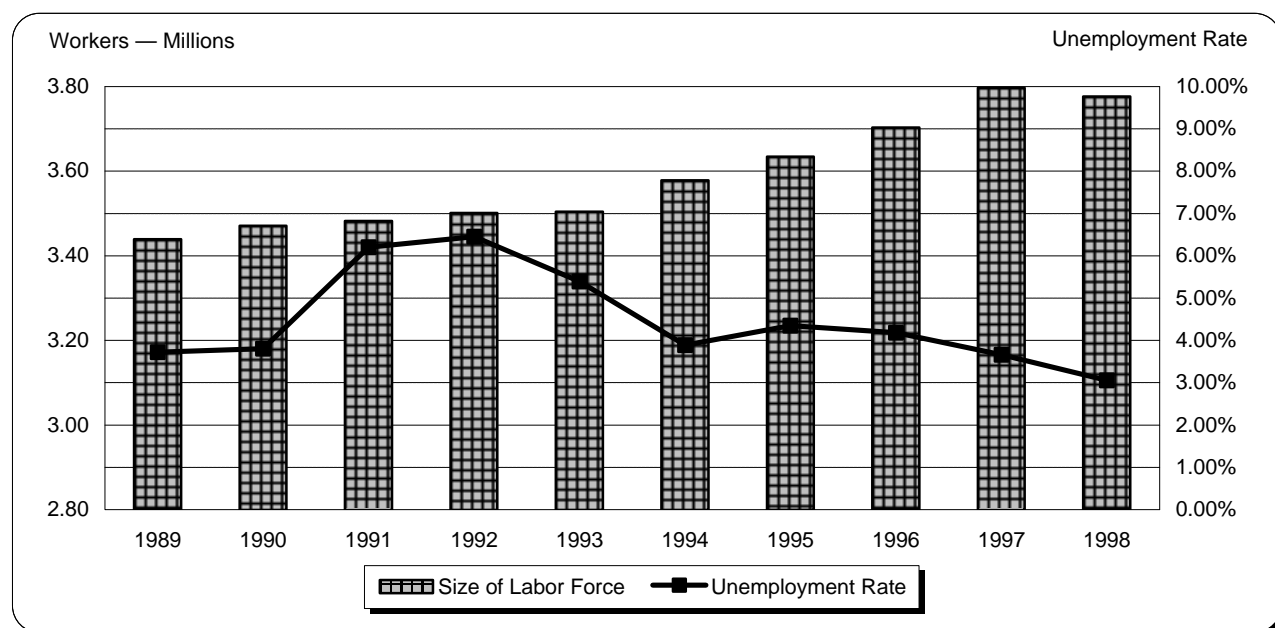
[3] Labor Force Data - As of June 30

U.S. Department of Commerce, Bureau of the Census
N.C. Office of State Planning
U.S. Department of Commerce, Bureau of Economic Analysis
N.C. Office of State Budget and Management
N.C. Employment Security Commission

Table 9

North Carolina Civilian Labor Force Data [3]					North Carolina - Other Data		
Year	Total	Employed	Unemployed	Unemployed Percentage Rate	[4] Public School Enrollment	[5] Motor Vehicles Registered	[6] Residential Construction Authorized
1998	3,776,300	3,661,000	115,300	3.05%	1,208,368	6,428,104	42,449
1997	3,796,900	3,657,800	139,100	3.66%	1,183,335	6,392,269	93,609
1996	3,703,000	3,548,000	155,000	4.19%	1,156,885	6,303,969	89,485
1995	3,634,000	3,476,000	158,000	4.35%	1,131,090	6,167,660	85,215
1994	3,578,000	3,439,000	139,000	3.88%	1,108,625	5,889,588	114,468
1993	3,504,000	3,315,000	189,000	5.39%	1,093,683	5,870,252	54,788
1992	3,501,000	3,275,000	226,000	6.46%	1,080,223	5,695,022	49,482
1991	3,482,000	3,266,000	216,000	6.20%	1,070,297	5,681,199	38,743
1990	3,471,000	3,339,000	132,000	3.80%	1,065,399	5,600,050	30,471
1989	3,439,000	3,311,000	128,000	3.72%	1,068,800	5,549,129	33,032
1980	2,759,197	2,607,925	151,272	5.48%	1,191,342	5,094,814	6,730
1970	2,054,838	1,984,402	70,436	3.43%	1,217,024	3,218,292	(Data
1960	1,680,442	1,605,478	74,964	4.46%	1,105,412	1,907,988	not
1950	1,512,924	1,463,352	49,572	3.28%	893,745	1,171,228	available)

**Civilian Labor Force Trends
With Unemployment Percentages
1989 to 1998**



Sources: [4] Public School Enrollment - Final Average Daily Membership N.C. Department of Public Instruction
for the School Year September 1 to June 30
[5] Motor Vehicle Registrations - For the Fiscal Year Ending June 30 N.C. Division of Motor Vehicles
[6] Residential Housing Permits - Current Year for the Five Months Ended May 31, 1998; Prior Years for the Calendar Years Ended December 31 N.C. Department of Labor

TEN LARGEST NON-AGRICULTURAL INDUSTRIES BY NUMBER OF EMPLOYEES

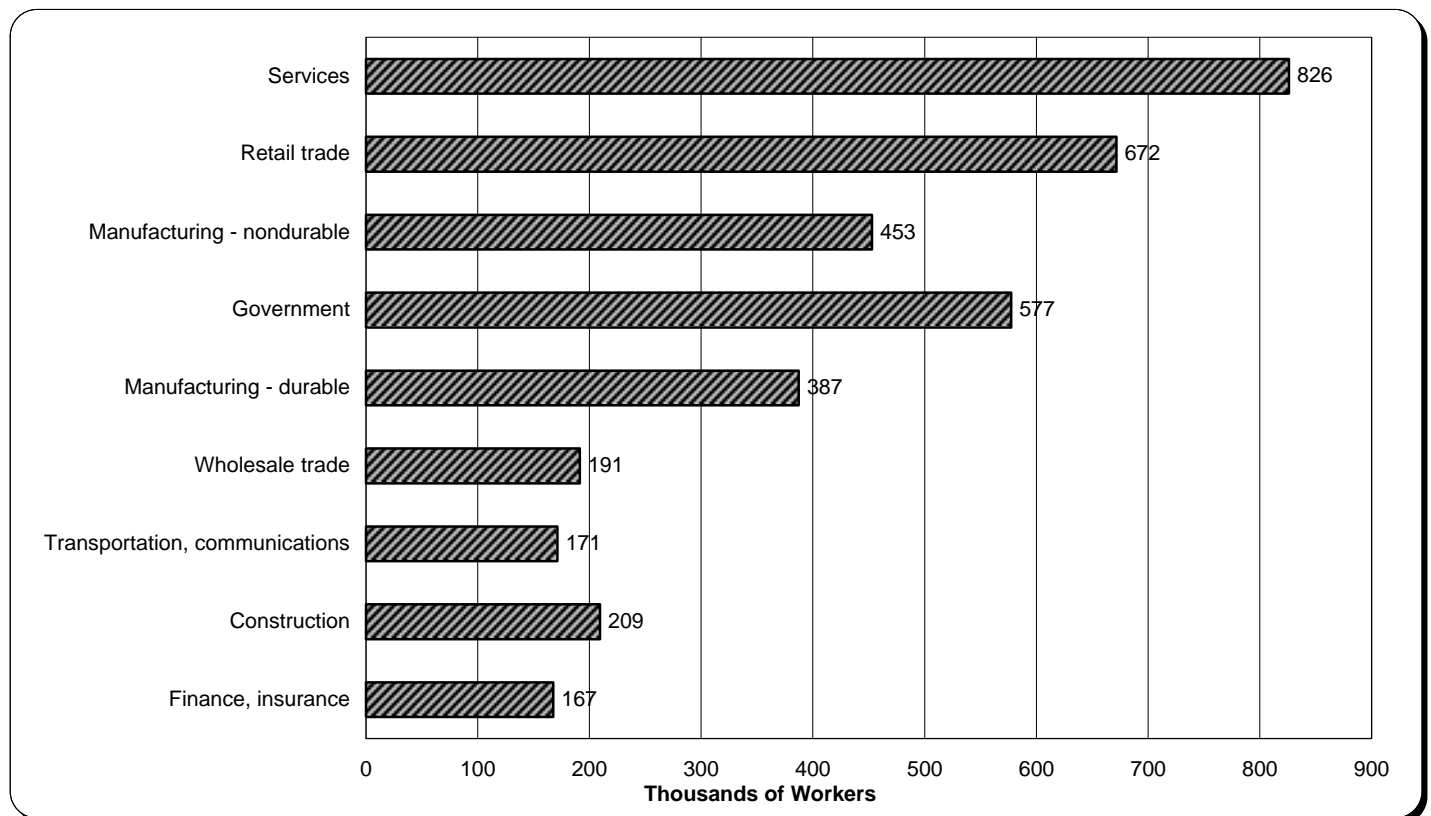
For the Calendar Years 1988-1997

Table 10

(Expressed in Thousands of Workers)

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Manufacturing:										
Nondurable goods.....	452.5	407.9	478.4	496.1	496.8	497.7	494.9	501.2	519.8	513.3
Durable goods.....	387.0	435.6	379.0	372.0	357.5	341.4	337.5	343.9	350.4	353.6
Retail trade.....	671.5	652.6	643.5	610.4	585.8	564.9	549.7	554.6	557.4	519.0
Services.....	825.9	784.0	729.0	687.6	655.4	612.7	566.6	555.5	526.0	522.3
Government.....	577.3	559.5	547.8	538.5	524.1	513.8	494.4	486.9	475.6	453.5
Contract construction.....	209.2	196.8	178.5	170.5	159.0	148.5	146.0	159.0	163.6	164.7
Wholesale trade.....	191.1	182.0	185.1	177.9	168.8	168.8	166.5	167.2	168.0	159.3
Transportation, communi- cations and public utilities.....	171.1	167.8	165.1	162.1	157.5	153.5	151.5	150.3	149.2	146.9
Finance, insurance and real estate.....	167.2	157.1	146.9	143.2	137.8	133.3	132.4	132.1	130.1	130.3
Mining.....	4.0	3.8	3.7	3.6	3.4	3.4	4.9	5.1	4.8	4.8
Total Non-Agricultural Employment.....	<u>3,656.8</u>	<u>3,547.1</u>	<u>3,457.0</u>	<u>3,361.9</u>	<u>3,246.1</u>	<u>3,138.0</u>	<u>3,044.4</u>	<u>3,055.8</u>	<u>3,044.9</u>	<u>2,967.7</u>
Manufacturing.....	839.5	843.5	857.4	868.1	854.3	839.1	832.4	845.1	870.2	866.9
Non-Manufacturing.....	2,817.3	2,703.6	2,599.6	2,493.8	2,391.8	2,298.9	2,212.0	2,210.7	2,174.7	2,100.8

**Number of Employees by Industry - 1997
(Non-Agricultural)**



Source: North Carolina Employment Security Commission (Data for 1998 is not available.)

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REQUIRED SUPPLEMENTARY INFORMATION
EIGHT-YEAR CLAIMS DEVELOPMENT INFORMATION
PUBLIC SCHOOL INSURANCE FUND
For the Fiscal Years Ended June 30, 1991 - 1998

The table below illustrates how earned revenues (net of reinsurance) and investment income of the Public School Insurance Fund (Fund) compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund for the last eight fiscal years ended June 30. The rows of the table are defined as follows:

- (1) Total of each fiscal year's earned contribution revenues, investment revenues, contribution revenues ceded to excess insurers or reinsurers, and amount of reported revenues net of excess insurance or reinsurance.
- (2) Each fiscal year's other operating costs of the Fund, including overhead and claims expense not allocable to individual claims.
- (3) The Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (before the effect of loss assumed by excess insurers or reinsurers), the loss assumed by excess insurers or reinsurers, and total net amount of incurred claims and allocated claim adjustment expenses.
- (4) Cumulative amounts paid as of the end of successive years for each policy year.
- (5) The reestimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year.
- (6) The reestimated net incurred claims and expenses based on the information available as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- (7) Comparison of the latest reestimated net incurred claims amount to the amount originally established (line 3) and indication of whether this latest estimate of claims cost is greater or less than originally thought.

REQUIRED SUPPLEMENTARY INFORMATION
EIGHT-YEAR CLAIMS DEVELOPMENT INFORMATION
PUBLIC SCHOOL INSURANCE FUND
For the Fiscal Years Ended June 30, 1991 – 1998

Table 11

As data for individual policy years mature, the correlation between original estimated and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns in the table present data for successive policy years. Amounts are expressed in thousands.

	Fiscal Year							
	1991	1992	1993	1994	1995	1996	1997	1998
1) Required contribution and investment revenue:								
Earned.....	\$ 6,513	\$ 6,386	\$ 6,805	\$ 6,573	\$ 6,749	\$ 7,180	\$ 7,099	\$ 8,354
Ceded.....	n/a	n/a	441	1,834	2,134	2,264	2,298	2,041
Net earned.....	6,513	6,386	6,364	4,739	4,615	4,916	4,801	6,313
2) Unallocated expenses	1,124	1,489	1,109	2,511	2,843	2,909	2,941	2,706
3) Estimated claims and expenses, end of policy year:								
Incurred.....	4,879	1,230	3,128	4,426	5,078	3,246	14,351	8,496
Ceded.....	—	—	—	—	359	—	6,862	700
Net incurred.....	4,879	1,230	3,128	4,426	4,719	3,246	7,489	7,796
4) Paid (cumulative) as of:								
End of policy year.....	3,499	781	1,468	2,741	3,790	2,061	9,595	2,044
One year later.....	4,937	1,092	3,221	4,348	5,107	3,723	13,129	
Two years later.....	4,970	1,141	3,295	4,429	5,242	3,742		
Three years later.....	4,975	1,151	3,295	4,437	5,246			
Four years later.....	4,975	1,151	3,295	4,440				
Five years later.....	4,975	1,151	3,295					
Six years later.....	4,975	1,151						
Seven years later.....	4,975							
5) Reestimated ceded claims and expenses.....	—	—	—	—	359	—	6,862	700
6) Reestimated net incurred claims and expenses:								
End of policy year.....	4,879	1,230	3,128	4,426	4,719	3,246	7,489	7,796
One year later.....	4,997	1,219	3,524	4,445	4,943	3,814	6,771	
Two years later.....	5,000	1,152	3,460	4,445	4,927	3,789		
Three years later.....	4,998	1,151	3,334	4,445	4,887			
Four years later.....	4,975	1,151	3,299	4,440				
Five years later.....	4,975	1,151	3,295					
Six years later.....	4,975	1,151						
Seven years later.....	4,975							
7) Increase (decrease) in estimated net incurred claims and expense from end of policy year.....	96	(79)	167	14	168	543	(718)	—

n/a= not available

REQUIRED SUPPLEMENTARY INFORMATION
CLAIMS DEVELOPMENT INFORMATION
WORKERS' COMPENSATION FUND
For the Fiscal Years Ended June 30, 1997 - 1998

Table 12

The table below illustrates how earned revenues and investment income of the Workers' Compensation Fund (Fund) compare to related costs of loss and other expenses assumed by the Fund for the last two fiscal years ended June 30. The rows of the table are defined as follows:

- (1) Total of each fiscal year's earned contribution revenues, investment revenues, contribution revenues ceded to excess insurers or reinsurers, and amount of reported revenues net of excess insurance or reinsurance.
- (2) Each fiscal year's other operating costs of the Fund, including overhead and claims expense not allocable to individual claims.
- (3) The Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (before the effect of loss assumed by excess insurers or reinsurers), the loss assumed by excess insurers or reinsurers, and total net amount of incurred claims and allocated claim adjustment expenses.
- (4) Cumulative amounts paid as of the end of successive years for each policy year.
- (5) The reestimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year.
- (6) The reestimated net incurred claims and expenses based on the information available as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- (7) Comparison of the latest reestimated net incurred claims amount to the amount originally established (line 3) and indication of whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimated and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns in the table present data for successive policy years. Amounts are expressed in thousands.

	Fiscal Year	
	1997	1998
1) Required contribution and investment revenue:		
Earned.....	\$ 1,749,850	\$ 3,198,888
Ceded.....	<u>331,100</u>	<u>311,454</u>
Net earned.....	1,418,750	2,887,434
2) Unallocated expenses	675,316	683,606
3) Estimated claims and expenses, end of policy year		
Incurred.....	3,658,673	3,974,485
Ceded.....	<u>354,787</u>	<u>829,967</u>
Net incurred.....	3,303,886	3,144,518
4) Paid (cumulative) as of:		
End of policy year.....	696,407	484,919
One year later.....	1,935,499	
5) Reestimated ceded claims and expenses.....	494,850	829,967
6) Reestimated net incurred claims and expenses		
End of policy year.....	3,303,886	3,144,518
One year later.....	3,769,162	
7) Increase (decrease) in estimated net incurred claims and expenses from end of policy year.....	465,276	—

TOTAL NUMBER OF STATE GOVERNMENT PERMANENT POSITIONS FUNDED IN THE STATE BUDGET BY AGENCY

For the Fiscal Years 1989-1998

Table 13

State Agency	Fiscal Years Ended June 30									
	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Education:										
Public education [1] ..	130,018	126,453	116,235	113,123	108,649	108,539	106,847	107,077	105,244	103,223
Higher education.....	31,275	31,012	31,012	30,094	29,611	31,621	28,702	28,225	30,478	29,866
Community colleges.....	10,360	10,135	10,555	10,814	10,892	10,660	10,076	10,005	9,626	9,251
Total Education.....	171,653	167,600	157,802	154,031	149,152	150,820	145,625	145,307	145,348	142,340
% Annual growth.....	2.42%	6.21%	2.45%	3.27%	(1.11)%	3.57%	0.22%	(0.03)%	2.11%	
% Cumulative growth.....	20.59%	17.75%	10.86%	8.21%	4.79%	5.96%	2.31%	2.08%	2.11%	
All Other:										
Health and human services [2].....	19,724	18,373	18,373	18,191	17,753	17,159	17,008	17,155	16,823	18,028
% Annual growth.....	7.35%	0.00%	1.00%	2.47%	3.46%	0.89%	(0.86)%	1.97%	(6.68)%	
% Cumulative growth.....	9.41%	1.91%	1.91%	0.90%	(1.53)%	(4.82)%	(5.66)%	(4.84)%	(6.68)%	
Correction.....	19,774	19,099	18,879	17,890	13,592	13,336	13,176	12,426	11,209	10,044
% Annual growth.....	3.53%	1.17%	5.53%	31.62%	1.92%	1.21%	6.04%	10.86%	11.60%	
% Cumulative growth.....	96.87%	90.15%	87.96%	78.12%	35.32%	32.78%	31.18%	23.72%	11.60%	
Transportation.....	17,010	16,536	16,411	16,593	15,451	15,556	15,096	15,127	14,560	14,189
% Annual growth.....	2.87%	0.76%	(1.10)%	7.39%	(0.67)%	3.05%	(0.20)%	3.89%	2.61%	
% Cumulative growth.....	19.88%	16.54%	15.66%	16.94%	8.89%	9.63%	6.39%	6.61%	2.61%	
Judicial.....	5,486	5,124	4,978	5,002	4,915	4,628	4,471	4,474	4,271	4,093
% Annual growth.....	7.06%	2.93%	(0.48)%	1.77%	6.20%	3.51%	(0.07)%	4.75%	4.35%	
% Cumulative growth.....	34.03%	25.19%	21.62%	22.21%	20.08%	13.07%	9.24%	9.31%	4.35%	
Other.....	16,631	17,138	16,904	16,921	16,186	15,425	15,267	15,574	15,468	14,023
% Annual growth.....	(2.96)%	1.38%	(0.10)%	4.54%	4.93%	1.03%	(1.97)%	0.69%	10.30%	
% Cumulative growth.....	18.60%	22.21%	20.54%	20.67%	15.42%	10.00%	8.87%	11.06%	10.30%	
Total Positions.....	250,278	243,870	233,347	228,628	217,049	216,924	210,643	210,063	207,679	202,717

[1] This figure includes local educational agencies receiving funding by State appropriation for elementary and secondary school teachers.

[2] Due to a departmental reorganization, the positions for health services in the 1998 fiscal year are included in the "Health and human services" category. In fiscal years prior to 1998, the positions for health services are included in the "Other" category.

Source: North Carolina Office of State Budget and Management

N.C. population (1000's)	7,544	7,431	7,310	7,187	7,062	6,948	6,833	6,748	6,632	6,569
Annual growth	1.52%	1.66%	1.71%	1.77%	1.64%	1.68%	1.26%	1.75%	0.96%	
Cumulative growth	14.84%	13.12%	11.28%	9.41%	7.50%	5.77%	4.02%	2.72%	0.96%	

SCHEDULE OF MISCELLANEOUS STATISTICS

As of June 30, 1998

Table 14

Adoption of State Constitution.....	1776, 1868, 1971
Form of government.....	Executive, Legislative, Judicial
Land area:	
Square miles.....	50,000
Acres.....	31,999,760
Miles of highway.....	77,856
State police protection:	
Number of stations.....	61
Number of state police.....	1,380
Higher Education:	
<i>Community colleges</i>	
Number of campuses.....	58
Number of students [average annual full time equivalent (FTE)].....	137,868
Number of curriculum instructors (budgeted).....	6,204
<i>State universities</i>	
Number of campuses.....	16
Number of regular term students (FTE).....	132,317
Number of regular term teaching positions (FTE).....	9,311
Recreation:	
Number of State parks and other recreational areas.....	50
Area of State parks (acres).....	147,693
Area of State forests (acres).....	313,550

Sources: Land area.....	Department of Environment and Natural Resources
Miles of highways.....	Department of Transportation
State police protection.....	Department of Crime Control and Public Safety
Higher education — community colleges.....	Department of Community Colleges Office of State Budget and Management
Higher education — state universities.....	Office of State Budget and Management
Recreation.....	Department of Environment and Natural Resources Department of Agriculture Department of Correction

Additional copies of this document may be obtained from:

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Phone requests can be made at **(919) 981-5454** or **(919) 981-5560** (FAX)

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